DERA …Origin and Future

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The Need for DERA

- Air Quality: Air standards shape focus on diesel emissions
  - Need to identify measures to go into a SIP
  - CAIR targeted at large source (EGUs), need a focus on existing Mobile sources
  - Diesel retrofits provide effective option for local attainment strategy
- Better recognition of health effects of diesel
- Impacts on local communities
- Good state examples: TERP & Carl Moyer
  - Create an incentive for other states to replicate TX & CA programs

A Champion Emerges

- Senator Voinovich understood the challenge of nonattainment for Ohio cities
  - Need to find diverse solutions
  - Held hearings on the issue
- Ohio EPA Director: meeting the standards could be very difficult for some areas of Ohio
- Successful clean diesel models in CA & TX
- Piecemeal approach occurring elsewhere
- Recognized need for a comprehensive national funding program
  - Beyond Clean School Bus USA & Voluntary Program

Senator Voinovich Brings Together Stakeholders

- Senator Voinovich recognizes the opportunity to create an additional tool for states
- Convenes broad set of industry, environmental, government and health stakeholders
- Identify the need for a robust federal funding bill to provide money to reduce diesel emissions from public fleets and private fleets working on public projects.
- FACA process
  - Allowed stakeholders to tap into technical resources

Creation of DERA

- Staff begin to develop a federal grant and loan program for $200 million a year for 5 years.
  - Diesel Emissions Reduction Act is created.
- Senator Voinovich reached across party lines:
  - Gains support from Senators Carper, Clinton, Feinstein and Jeffords
- Additional co-sponsors at introduction:
  - Senators Hutchinson, Isakson, and Inhofe
- Unique bipartisan support (22 co-sponsors)

Process Timeline

June 2005	Bi-partisan bill introduced
Late June	Amended to Senate Energy Bill 92-1
August 2005	Passed as part of Energy Policy Act
February 2006	Administration's Budget includes $49.5 million for DERA
Spring 2006	House Appropriations Committee marked budget for $28 million, Senate Appropriations Committee marked $20.1 million
??	Congress likely pass Continuing Resolution

Power of a Coalition

A Coordinated Stakeholder Effort

- Unique bipartisan support
- Unique dynamic in public/private partnerships
- Momentum that occurs from a broad coalition of support
- Willingness to incorporate various interests under the DERA umbrella
  - Include school bus, idling reduction, etc.
- Coalition continue appropriations push to dramatically increase the DERA budget in Conference Committee to meet the need

National Clean Diesel Campaign





Diesel Emissions Reduction Program

Monica Beard-Raymond
National Clean Diesel Campaign
Office of Transportation and Air Quality

Tools and Incentives for Green Diesel Technology
September, 2006

National Clean Diesel Campaign

- Goal: *reduce emissions from the legacy fleet of over 11 million diesel engines by 2014*

- Focus on five sectors:
  - School Buses - Clean School Bus USA
  - Ports - Clean Ports USA
  - Construction - Clean Construction USA
  - Agriculture - Clean Air Agriculture
  - Freight - SmartWay Transport

- Program activities:
  - Technology verification
  - Providing technical and policy analysis
  - Coalition-building and outreach
  - Establishing projects through grant competitions

Diesel Emissions Reduction Program Program - Current Legislative Language

Energy Bill:

- Authorizes more than $1B over 5 years for grants and loans that support clean diesel activities

President's Request:

- Proposes $49.5M for clean diesel activities
- Limits funds to grants in nonattainment (NA) areas

Appropriations

- House: $28M for the federal program only
- Senate: $20M for both programs
- Conference in September

Diesel Emissions Reduction Program- Summary

Funding Distribution

- 70% of funds for national grant and loan programs
- 30% for state grant and loan programs

Use of Funds

- Retrofit Technology, Engine Replacement, Engine Repower, Rebuild
- Reduction of long-duration idling

Program funding, allocations, criteria, eligibility, etc. will be subject to final Congressional appropriation language

Energy Bill Summary:
Federal Program

70% of funds allocated for federal program

Eligible entities

- Regional, state, local, tribal governments
- Nonprofit entities

Use of funds

- >= 50% of funds for public entities
- >= 90% for verified/certified technologies
- <=10% for emerging technologies (to receive funds, mfr must have approved test plan in consultation with eligible entity thru EPA or CARB)

Exclusions

  - Projects mandated under Federal, State, or local law will not be considered

Energy Bill Summary:
State Program

States must apply to EPA to participate in program.

30% of total funds for State Program

- 20% allocated to qualifying States
  - Each state that applies receives 2%
    - If less than 50 States apply then additional funds would be apportioned based on population
- 10% for state matching program
  - States can receive 50% more of their allocation by providing a match

Qualifying States can determine proportion of funds to be provided as grants or loans

Priority Projects

- Maximize public health benefits
- Are the most cost effective
- Areas with high population, air quality issues, and air toxic concerns
- Areas that receive a disproportion quantity of air pollution (i.e. truck stops, ports)
- Maximize the useful life of the engine
- Conserve diesel fuel and utilize ULSD

Tools and Technical Assistance

National Clean Diesel Campaign's Technology Verification program

- EPA has a rigorous testing program for evaluating technologies
- Memorandum of Agreement between EPA and CARB

SIP/Conformity Guidance for diesel retrofits

- Outlines how to use retrofits in SIPs, transportation conformity, and general conformity
- EPA recommends use of National Mobile Inventory Model (NMIM)

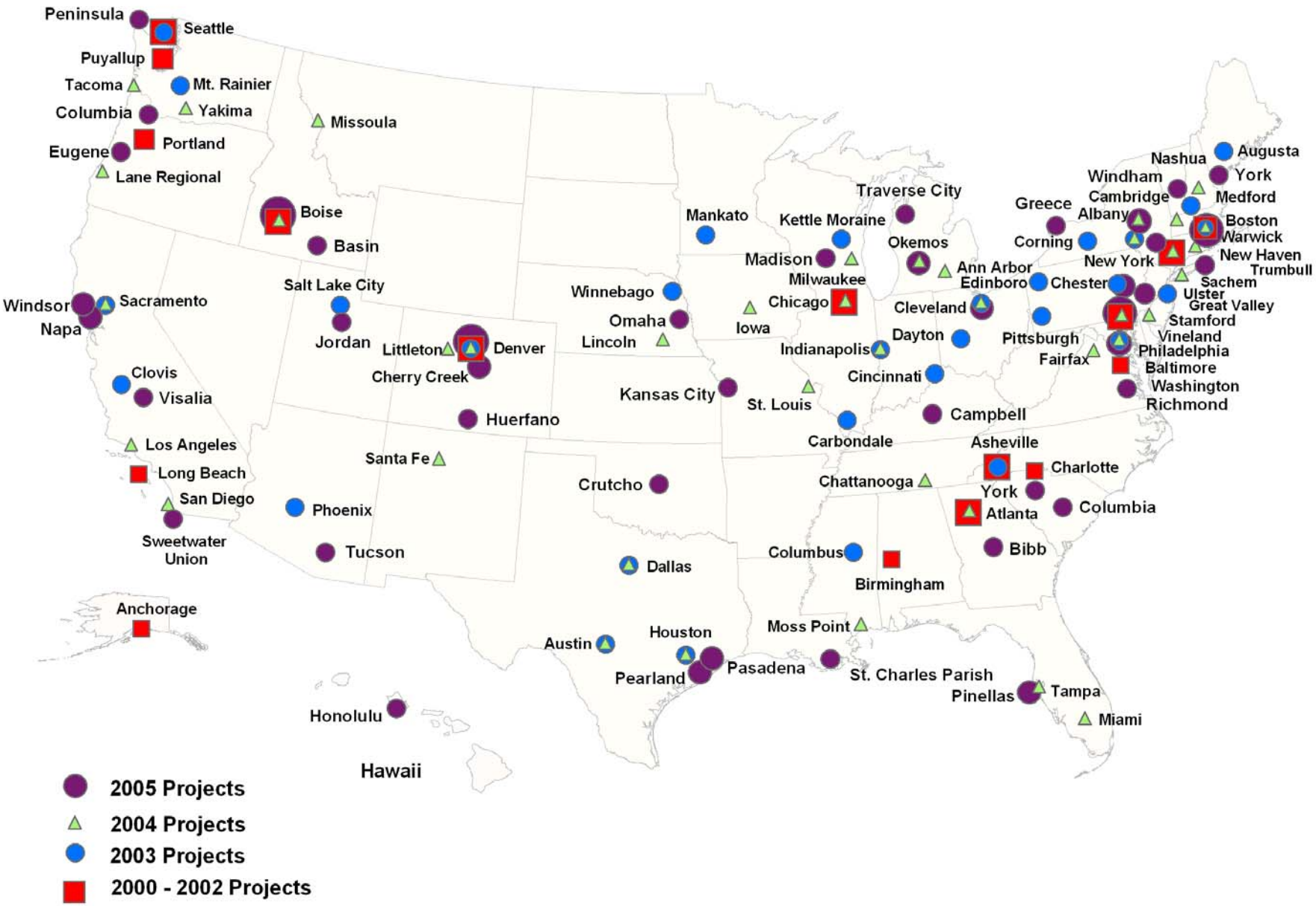
Diesel Emissions Quantifier

- An easy-to-use calculation tool for determining emissions reductions and cost effectiveness
- CAN NOT be used for SIP/Conformity credit
- Due for release early fall

Idle Reduction Technology Information

- SmartWay Transport program: http://www.epa.gov/smartway/idling.htm
- Clean School Bus USA: http://www.epa.gov/cleanschoolbus/antiidling.htm

EPA Funded Retrofit Projects (as of 2/22/2006)

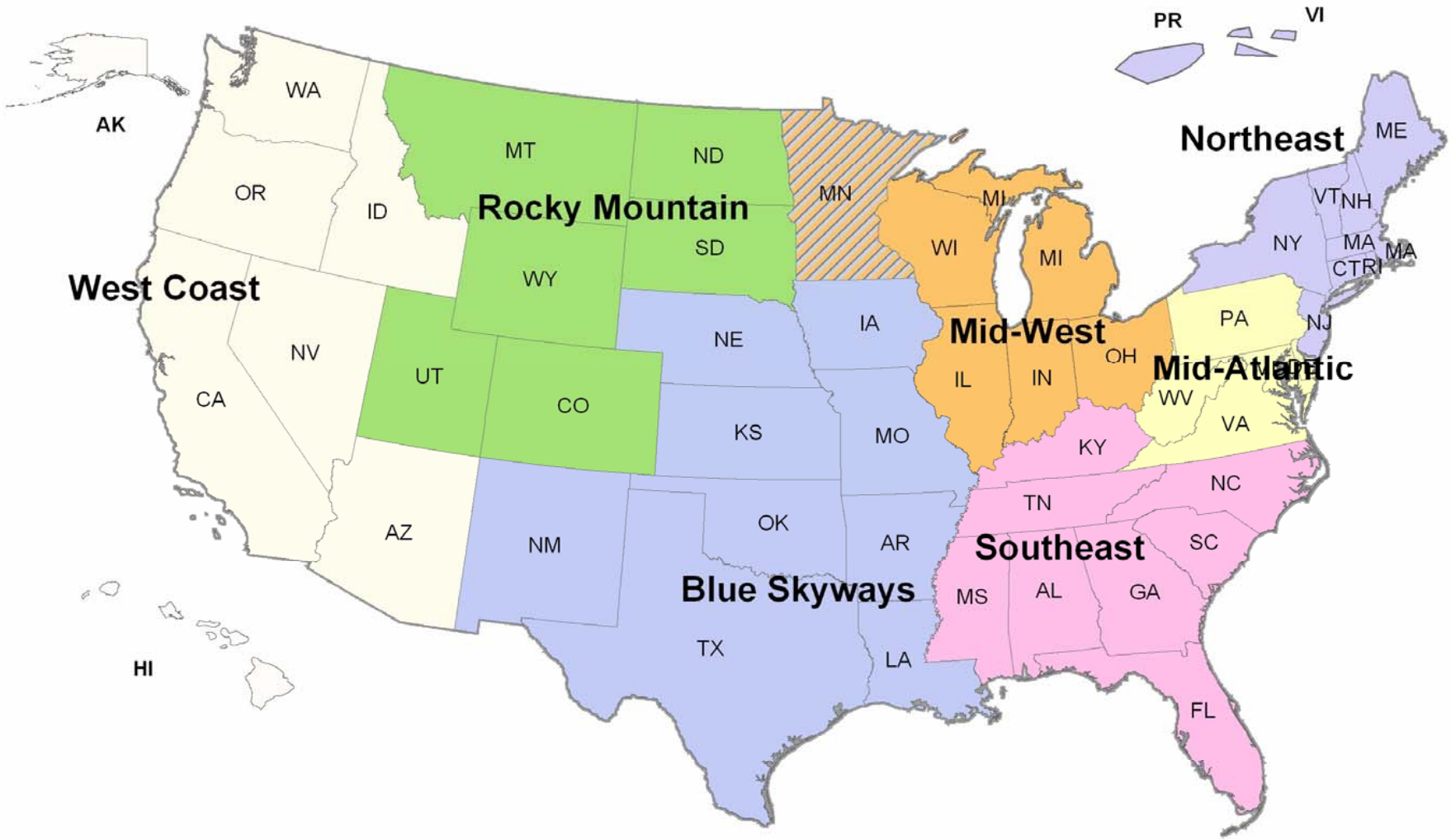


Clean Diesel Collaboratives

Carrying out the National Clean Diesel Campaign's mission regionally:

- **Northeast Diesel Collaborative**- CT, MA, ME, NH, NJ, NY, PR, RI, VI, VT http://www.northeastdiesel.org/
- **Mid-Atlantic Diesel Collaborative**- DC, DE, MD, PA, VA, WV http://www.dieselmidatlantic.org
- **Southeast Diesel Collaborative**- AL, FL, GA, KY, MS, NC, SC, TN http://www.southeastdiesel.org
- **Midwest Clean Diesel Initiative**- IL, IN, MI, MN, OH, WI http://www.epa.gov/midwestcleandiesel/
- **Blue Skyways Collaborative**- AR, IA, KS, LA, MN, MO, NE, NM, OK, TX http://www.blueskyways.org
- **Rocky Mountain Clean Diesel Collaborative** is in the works- CO, MT, ND, SD, UT, WY
- **West Coast Collaborative**- AK, AZ, CA, HI, ID, NV, OR, WA, Canada and Mexico http://www.westcoastcollaborative.org

Regional Clean Diesel Collaboratives



For More Information

EPA's National Clean Diesel Campaign Website

www.epa.gov/cleandiesel